

Income Self Certification - Individual

Attn: Credit Manager
 Think Tank Group Pty Ltd
 PO Box 6125
 North Sydney NSW 2059

Date

Acknowledgement of reliance on information provided by Borrower/ Guarantor

To: BNY Trust Company of Australia Limited (ABN 49 050 294 052) ("BNY")
 Think Tank Group Pty Ltd (ABN 75 117 819 084) ("TT")

Purpose: for all Quick Doc and Mid Doc Borrowers and/ or Guarantors who are natural persons.

Borrower and/ or Guarantor names

Borrower/ Guarantor 1 name	ABN
Borrower/ Guarantor 2 name	ABN

Personal income, rent and add-backs

	Borrower/ Guarantor 1	Borrower/ Guarantor 2
Self employed/ personal income (most recent financial year)	\$	\$
+ Depreciation add-back (exclude investment properties)	\$	\$
+ Interest add-back (exclude investment properties)	\$	\$
+ Current rent derived from investment properties (80% of rent is used for serviceability)	\$	\$
Total	\$	\$

Loan application acknowledgements

I/ We acknowledge:

- That the size of the loan applied for in this application for finance (Loan Application) is: \$
- And is to be repaid by way of indicative monthly repayments of \$
- This repayment amount is calculated at the current indicative rate of %
- And over a loan term of years
- That I/ We have been self employed for a minimum of years
- That I/ We have requested the Originator and the Lender to not require documentary evidence of my income, outgoings, assets and liabilities.
- That the Originator and Lender have relied upon the information contained in the Loan Application, including the information below which was provided by me in or with my Loan Application in order for the Lender to assess my ability to make loan repayments and approve my Loan Application.
- That the Originator and Lender have not independently verified the information relating to my personal income provided by me in or with my Loan Application.
- And declare that the information provided in or with my Loan Application is true and correct and that I can afford to make the relevant loan repayments in accordance with the loan terms and without substantial financial hardship.

Borrower/ Guarantor 1 name

Witness' name

Borrower/ Guarantor 1 Signature

Witness' signature

Date

Date

Borrower/ Guarantor 2 name

Witness' name

Borrower/ Guarantor 2 Signature

Witness' signature

Date

Date

Thinktank Property Finance Income Self Certification Forms – How to Complete Examples

Company and Trust Self Certifications

Example 1 – Company income + investment property

The borrower runs their business through a company and owns an investment property. The Gross Revenue generated by the company for the last financial year was \$525,000 with a Net Profit Before Tax (NPBT) of \$125,000. The business recorded depreciation of \$5,000 on assets not related to the investment property and also has an overdraft of \$15,000 which incurred interest of \$1,000 for the year. The investment property produced gross rent of \$25,000. The **Income Self Certification – Company and Trust form** should be completed as follows:

Gross revenue	\$525,000	Insert full amount of the Company or Trust revenue
NPBT	\$125,000	Insert full amount of the Company or Trust net profit
Add-back: depreciation	\$5,000	Insert depreciation not relating to the investment property
Add-back: interest	\$1,000	Insert overdraft interest only
Gross rent received	\$25,000	Insert total amount of rent generated by the investment property
Total	\$156,000	Place this total in the field provided at the bottom

How Thinktank will approach this example for servicing: we will take the business net profit plus add-backs of \$131,000 (ie. NPBT + Depreciation + Interest) plus **80%*** of the gross rental income of \$25,000 (ie. \$20,000) which produces total income for debt servicing of **\$151,000**.

Note – where individual directors/Trust beneficiaries receive salary, directors' fees or other personal payments within the above NPBT, they should complete an accompanying Income Self Certification – Individual for the amount physically paid.

Example 2 – Company income + owner occupied property

The borrower runs their business through a company and it owns the property in which the business is located. There is a loan on the property in the company name which produced an interest expense of \$15,000 for the year. As for the first example, Gross Revenue was \$525,000, Net Profit Before Tax (NPBT) was \$125,000, depreciation on other assets of \$5,000 and interest related to the overdraft of \$1,000. In addition, the property itself produces \$14,000 a year in depreciation expense. The **Income Self Certification – Company and Trust form** should be completed as follows:

Gross revenue	\$525,000	Insert full amount of the Company or Trust revenue
NPBT	\$125,000	Insert full amount of the Company or Trust net profit
Add-back: depreciation	\$5,000	Insert depreciation relating to other assets
Add-back: depreciation	\$14,000	Insert depreciation relating to the owner-occupied property
Add-back: interest	\$15,000	Insert interest on the property loan
Add-back: interest	\$1,000	Insert overdraft interest
Total	\$160,000	Place this total in the field provided at the bottom

How Thinktank will approach this example for servicing: we will take the business net profit plus add-backs which comes to a total of \$160,000.

Note – where individual directors/Trust beneficiaries receive salary, directors' fees or other personal payments within the above NPBT, they should complete an accompanying Income Self Certification – Individual for the amount physically paid.

* Thinktank applies 80% of gross rental income from investment properties for debt serviceability purposes which represents a net figure that is designed to allow pro rata for any applicable interest, depreciation, outgoings and/or capital commitments related to the investment.

Example 3 – Company and personal income + partially owner-occupied property

The borrower runs their business through a company and the company owns the property within which it operates. The business occupies 75% of the premises and leases out the remaining 25% to an unrelated third party from whom it receives \$25,000 annually in rent. The loan is on the company's balance sheet and incurred an interest expense of \$15,000 in the last financial year.

The Gross Revenue was \$525,000, Net Profit Before Tax (NPBT), excluding the \$25,000 in rent received, was \$125,000. Depreciation on the property itself amounted to \$14,000 while depreciation on other assets was \$5,000. **The Income Self Certification – Company and Trust** form should be completed as follows:

Gross revenue	\$525,000	Insert full amount of the Company or Trust revenue
NPBT	\$125,000	Insert full amount of the Company or Trust net profit + director's salary
Add-back: depreciation	\$5,000	Insert depreciation relating to other assets
Add-back: depreciation	\$14,000	Insert depreciation relating to the owner-occupied property
Add-back: interest	\$15,000	Insert interest on the property loan
Rent received	\$25,000	Insert rent received from unrelated tenant
Total	\$184,000	Place this total in the field provided at the bottom

How Thinktank will approach this example for servicing: we will take the business NPBT of \$125,000 and take into account the full amount of the depreciation add-backs for the security property and the other assets of \$19,000 combined with the full interest add-back related to the property of \$15,000. We will only apply 80%* of the \$25,000 gross received rent for servicing, or \$20,000. Total income for servicing will therefore be \$179,000.

Note – where individual directors/Trust beneficiaries receive salary, directors' fees or other personal payments within the above NPBT, they should complete an accompanying Income Self Certification – Individual for the amount physically paid.

Individual self certifications

Example 4 – Personal business income + lease to a related entity

The borrower runs a business under a trading name which operates under lease in a property owned by a Trust which is beneficially owned by the borrower. The business pays the Trust annual rent of \$25,000. As for the above examples, self-employed income before tax was \$125,000, depreciation on other assets \$5,000 and interest related to the overdraft \$1,000. The **Income Self Certification – Individual** form should be completed as follows:

Self employed income	\$125,000	Insert full amount of the individual's business net income
Add-back: depreciation	\$5,000	Insert depreciation relating to other assets
Add-back: interest	\$1,000	Insert overdraft interest
Add-back: rent paid	\$25,000	Insert rent paid to the related party Trust
Total	\$156,000	Place this total in the field provided at the bottom

How Thinktank will approach this example for servicing: we will take the individual's business net profit plus add-backs which comes to a total of \$156,000. As the Trust is merely an asset holding entity, we do not need to assess the net income and associated add-backs of the Trust itself.

* Thinktank applies 80% of gross rental income from investment properties for debt serviceability purposes which represents a net figure that is designed to allow pro rata for any applicable interest, depreciation, outgoing and/or capital commitments related to the investment.